



**FOR RELEASE**  
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**Rhode Island's Unemployment Rate Declines in January**  
**The Number of Jobs Increases Over the Month**

Rhode Island Department of Labor and Training Director Adelita S. Orefice announced today that Rhode Island's

|               | <u>Jan. 05</u> | <u>Dec. 04</u> | <u>Jan. 04</u> |
|---------------|----------------|----------------|----------------|
| Rhode Island  | 4.4%           | 4.8%*          | 5.5%*          |
| United States | 5.2%           | 5.4%           | 5.7%           |
| * Revised     |                |                |                |

seasonally adjusted unemployment rate for January was 4.4 percent, down 0.4 of a percentage point from December's revised estimate of 4.8 percent. The January unemployment rate is the lowest since April 2001. The number of unemployed Rhode Island residents fell by 1,900 in January to 24,800. A year ago, the unemployment rate was 5.5 percent, and the number of unemployed stood at 30,600.

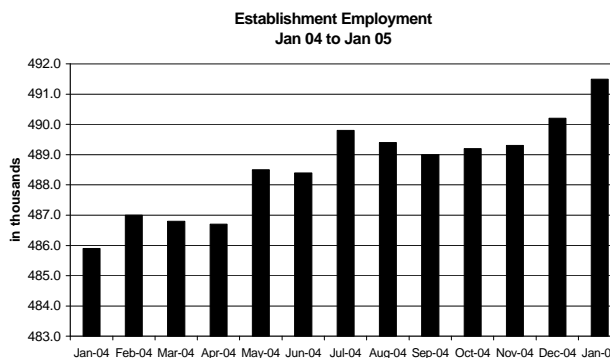
Nationally, the unemployment rate dipped to 5.2 percent in January from 5.4 percent in December. Rhode Island's unemployment rate has remained below the national average since August 2001.

"The Rhode Island labor market improved in January as our unemployment rate fell to 4.4 percent and the number of jobs in the state increased for the fourth straight month," said Director Orefice. "We're encouraged to see that Rhode Island businesses are adding jobs and we're hoping to sustain this momentum throughout 2005."

**Rhode Island Job Highlights**

Rhode Island businesses added 1,300 (+0.3%) jobs last month, bringing the January job count to 491,500 (seasonally adjusted). Over-the-month employment gains in Financial Activities (+600); Educational & Health Services (+500); Professional & Business Services (+400); Government (+300); and Leisure & Hospitality (+200) offset job losses reported in Trade, Transportation & Utilities (-400) and Construction (-200). Manufacturing employment remained unchanged over the month.

January's gain of 1,300 jobs marks the fourth consecutive monthly increase in the state. Private sector employment showed continued growth, as Professional & Business Services and Educational & Health Services each maintained successive monthly job gains of four months and three months, respectively. Leisure & Hospitality as well as Financial Activities have each recorded monthly employment increases for two consecutive months. Manufacturing remained stable in January following two months of job declines. Construction posted a decline this month, following three months of job gains. Trade, Transportation & Utilities was the only sector to record a continued monthly decline, losing jobs in each of the last three months.



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Over the year, employment was up 5,600 (+1.2%) from the 485,900 jobs reported in January 2004. The largest gains were noted in Professional & Business Services (+2,700); Educational & Health Services (+2,500); Leisure & Hospitality (+1,400) and Financial Activities (+1,000). The largest private sector employment losses occurred in Trade, Transportation & Utilities (-1,900) and Manufacturing (-700). Government employment increased by 100.

### Establishment Employment

|                                   | EMPLOYMENT IN THOUSANDS |             |             | NET CHANGE FROM |             |
|-----------------------------------|-------------------------|-------------|-------------|-----------------|-------------|
|                                   | JAN<br>2005             | DEC<br>2004 | JAN<br>2004 | DEC<br>2004     | JAN<br>2004 |
| TOTAL NONFARM                     | 491.5                   | 490.2       | 485.9       | 1,300           | 5,600       |
| Construction                      | 20.8                    | 21.0        | 21.1        | -200            | -300        |
| Manufacturing                     | 56.4                    | 56.4        | 57.1        | 0               | -700        |
| Trade, Transportation & Utilities | 78.9                    | 79.3        | 80.8        | -400            | -1,900      |
| Financial Activities              | 35.0                    | 34.4        | 34.0        | 600             | 1,000       |
| Professional & Business Services  | 55.0                    | 54.6        | 52.3        | 400             | 2,700       |
| Educational & Health Services     | 94.2                    | 93.7        | 91.7        | 500             | 2,500       |
| Leisure & Hospitality             | 50.8                    | 50.6        | 49.4        | 200             | 1,400       |
| Government                        | 65.6                    | 65.3        | 65.5        | 300             | 100         |

### Hours and Earnings

The \$13.05 average hourly wage earned by the Manufacturing sector's production workers in January 2005 represented a yearly gain of ten cents and a monthly loss of seven cents per hour. In January 2005, Manufacturing employees worked an average of 37.9 hours per week, a decrease of 1.0 hour over the month and a decline of 1.6 hours from last year.

*Note: The unemployment figures are based largely on a survey of households in Rhode Island and measure the unemployment status of people who live in the state.*

*With the release of the January data, unemployment rates and the related labor force, employment, and unemployment estimates are based on improved modeling procedures. Prior years (back to 1976) have also been revised using the new models.*

*The improved models:*

- *reduce the size of end-of-year revisions and result in better year-over-year comparisons;*
- *directly produce seasonally adjusted estimates, which is currently an external process;*
- *and control not seasonally adjusted state estimates to sum to the national labor force totals.*

*For more information on the redesigned models, visit [www.dlt.ri.gov/lmi/laus/redesignqa.htm](http://www.dlt.ri.gov/lmi/laus/redesignqa.htm).*

*The employment figures in the "Rhode Island Job Highlights" section are derived from a survey of businesses in Rhode Island and measure the number of jobs in the state. With the release of the January data, the seasonally adjusted jobs figures for 2000-2004 reflect changes due to the annual benchmark revision process.*

**Rhode Island Labor Market Information is available on our web site at [www.dlt.ri.gov/lmi](http://www.dlt.ri.gov/lmi)  
The February labor force figures are scheduled to be released on Friday, March 18, 2005.**

- 30 -

#### ***Equal Opportunity Employer/Program***

Auxiliary aids and services are available upon request to individuals with disabilities.

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Governor Donald L. Carcieri



Director Adelita S. Orefice